

(H. B. 1228)

**(No. 125-2013)**

(Approved October 28, 2013)

## **AN ACT**

To amend Section 3030.03 of Act No. 1-2011, as amended, known as the “Internal Revenue Code for a New Puerto Rico,” in order to fully exempt all *bona fide* residents of the island municipality of Culebra and the island municipality of Vieques from the payment of excise taxes on the purchase of alternative fuel vehicles.

### **STATEMENT OF MOTIVES**

The island municipality of Culebra constitutes one of the most important environmental patrimonies of the archipelago of Puerto Rico. Recognizing the geographical, social, and cultural values of this municipality, the Executive Branch has developed the “Culebra, Environmental Pioneer” Plan. In general terms, said plan is a planning and development project for the island municipality of Culebra that seeks to make Culebra the first self-sufficient municipality in terms of renewable energy sources use and consumption.

Among the proposals introduced in the Plan is to grant a one hundred percent (100%) exemption from the payment of excise tax to *bona fide* residents of said municipality who purchase alternative fuel vehicles and adequately dispose of their previous motor vehicles. This measure seeks to reduce the use of fuel byproducts in public and private transportation. Hybrid and electric cars are among the alternative fuel vehicles.

This Legislative Assembly recognizes the importance and relevance of the “Culebra, Environmental Pioneer” Plan. Therefore, it deems it necessary to pass legislation to amend Act No. 1-2011, known as the “Internal Revenue Code for a New Puerto Rico,” to fully exempt any *bona fide* resident of the island municipality of Culebra who purchase alternative fuel vehicles from the payment of excise taxes. Recognizing that the people of the island municipality of Vieques have similar circumstances, this Act extends said exemption to its residents. However, taking into consideration the lack of inventory of electric vehicles in the automobile market, it is hereby provided that the exemption granted under this Act shall take effect as of the second semester of 2014. In doing so, Puerto Rico’s automobile dealerships are afforded the opportunity to import the awaited electric vehicles into Puerto Rico.

***BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF PUERTO RICO:***

Section 1. – Section 3030.03 of Act No. 1-2011, as amended, is hereby amended to read as follows:

“Section 3030.03.- Excise Tax Refund and Exemption for Alternative Fuel Vehicles. -

- (a) ...
- (1) ...
- (2) ...
- (3) ...
- (4) ...
- (5) ...
- (6) ...
- (7) ...
- (8) ...
- (9) ...

(b) ...

(c) ...

(d) ...

(e) ...

(f) There shall be granted a full exemption from the payment of the excise tax imposed by this subtitle on alternative fuel vehicles purchased by *bona fide* residents of the municipality of Culebra or the municipality of Vieques who dispose of their previous motor vehicles in an environmentally-friendly manner. The exemption granted in this Section shall be limited to the purchase of one automobile per year for personal use. For purposes of the exemption provided in this Section, it shall be understood as a *bona fide* resident any person who year-round resides in a principal residence located in the municipality of Culebra or in the municipality of Vieques. However, if the owner of the motor vehicle who is enjoying the exemption granted herein sells, transfers, or otherwise conveys the same, the new buyer shall be required to pay, prior to taking possession thereof, the excise tax resulting from the application of the table contained in Section 3020.08, taking as basis the taxable price over which the exemption was granted, minus the depreciation thereof. The exempt person shall be responsible for requiring the new buyer proof of payment of the excise tax before delivering the motor vehicle.

(g) ...

(h) The Secretary shall prescribe by regulations, circular letter, or any other administrative determination or communication of a general character, the procedure and requirements for requesting a refund or exemption in accordance with this Section.”

Section 2.- Severability Clause.

If any clause, paragraph, subparagraph, article, provision, section, subsection, chapter, subchapter or part of this Act, were held to be null or unconstitutional, the holding to such effect shall not affect, impair, or invalidate the remainder thereof. The effect of such holding shall be limited to the clause, paragraph, subparagraph, article, provision, section, subsection, chapter, subchapter, or part thereof thus held to be null or unconstitutional.

Section 3.- Effectiveness.

This Act shall take effect on July 1, 2014.

## CERTIFICATION

I hereby certify to the Secretary of State that the following **Act No. 125-2013 (H. B. 1228)** of the **2<sup>nd</sup> Regular Session** of the **17<sup>th</sup> Legislative Assembly of Puerto Rico**:

**AN ACT** to amend Section 3030.03 of Act No. 1-2011, as amended, known as the “Internal Revenue Code for a New Puerto Rico,” in order to fully exempt all *bona fide* residents of the island municipality of Culebra and the island municipality of Vieques from the payment of excise taxes on the purchase of alternative fuel vehicles.

has been translated from Spanish to English and that the English version is correct.

In San Juan, Puerto Rico, on this 21<sup>st</sup> day of December, 2016.

Juan Luis Martínez Martínez  
Director